

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

REGAL FABRICS, INC.,

Plaintiff,

V.

CIVIL ACTION
NO. 04-10961-RWZ

KOBA, INC., an Illinois corporation;
IBR CORPORATION, d/b/a Harbortown Division,
an Illinois corporation; and
SHOPKO STORES, INC, a Wisconsin corporation,

Defendants.

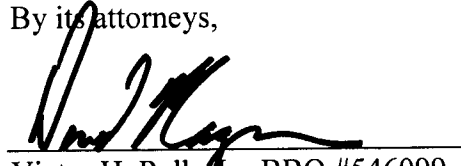
SETTLEMENT STATUS REPORT

In its October 28, 2005 Order, this Court requested that the parties in the above-captioned action, Plaintiff, Regal Fabrics, Inc. (“Regal”) and Defendants, Koba, Inc. (“Koba”), IBR Corporation, d/b/a Harbortown Division (“Harbortown”), and Shopko Stores, Inc. (“Shopko”), collectively (the “Defendants”), update the Court as to the status of settlement negotiations.

Today, the Defendants delivered checks in the amount of \$168,000, the agreed upon settlement amount. Given Harbortown's financial status, however, the parties have agreed to request that the Court keep this case open until December 10, 2005 to allow sufficient time for the settlement funds to be cleared by the bank. The parties would notify the Court on or before December 10, 2005 should the settlement checks not be funded by the bank.

REGAL FABRICS, INC.,

By its attorneys,



Victor H. Polk, Jr., BBO #546099

David M. Magee, BBO #652399

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Attorneys for Plaintiff

Regal Fabrics, Inc.

Dated: Boston, Massachusetts
December 1, 2005

CERTIFICATION OF SERVICE

The undersigned hereby affirms that he electronically filed the foregoing paper with the Clerk of the Court using the ECF system and caused copies to be served upon the following attorney(s) of record:

Mark Schonfeld
Burns & Levinson
125 Summer Street
Boston, MA 02110

by United States Postal Service on the 1st day of December 2005.



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